EX PARTE OR LATE FOR PRISE A. BODE

JEFF CLOUD Commissioner

OKLAHOMA CORPORATION COMMISSION P.O. BOX 52000 OKLAHOMA CITY, OKLAHOMA 73152-2000



300 Jim Thorpe Building Telephone: (405) 521-2261

FAX: (405) 521-1623

Bob Anthony, Commissioner

August 26, 2003

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Ms. Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

Re Ex Parte Communication, CC Docket No. 99-273

Dear Ms. Dortch

Although the Federal Telecommunications Act of 1996 set a goal of promoting competition in all telecommunications markets, the \$5-6 billion wireline directory assistance (DA) market still remains closed to viable retail competition. Incumbent LECs dominate wireline retail DA through their exclusive control of the 411 DA dial code, and nonlocal DA products now offered through 411 have strengthened the incumbent LECs' control of the wireline DA market. Not surprisingly given the lack of competition, the retail wireline DA market has seen steady or increasing prices since 1996 at the same time that prices have fallen dramatically in markets characterized by robust competition (such as interstate toll services).

Evidence of the potential consumer benefits of DA competition can be seen in the European markets that have implemented retail DA competition and in the U.S. wireless market, where competitive DA providers compete at the wholesale level for contracts to serve wireless customers.

- In the U K, which initially opened its DA market to competition in December 2002 and will complete its transition to full retail DA competition on August 24, 2003, nearly a dozen new DA providers have invested tens of millions of pounds on call centers, telecommunications infrastructure, and marketing and advertising. After only six months, and prior to the elimination of the default DA code, BT reported that nearly 20% of DA calls originating on its network were being placed to new DA numbers Recently, BT dropped its price for basic directory service.
- In the U.S. wireless market, competitive DA providers, often using all live operators, provide higher quality service and greater reliability than other DA providers. They have introduced such DA innovations as automatic, free call completion, category searches and enhanced information services including turn-by-turn driving directions, movie listings, restaurant reservations, weather reports, Spanish language DA, sports scores and stock quotes

Consumers in the U.S. wireline retail DA market deserve to share in the competitive benefits, including lower prices and better quality services, enjoyed by European consumers and U.S. wireless customers. For the foregoing reasons, I urge the Federal Communications Commission promptly to adopt appropriate rules to promote competition in the wireline retail directory assistance market.

Respectfully submitted,

Bob Anthony, Commissioner